

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**JON-ERIK ROCHA,
Plaintiff,**

VS.

**ATTORNEY BRYAN E. HOSTO
and CHARLES J. BUCHAN
Defendants.**

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**CIVIL ACTION NO.
4:19-CV-572-O-BP**

**DEFENDANTS' APPENDIX IN SUPPORT OF MOTION TO DISMISS
COMPLAINT PURSUANT TO FED.R.CIV.P. 12(b)(1) and 12(b)(6)**

SHEEHY, WARE & PAPPAS, P.C.

JAMES W. KAREL
Texas Bar No. 11098550
jkarel@sheehyware.com

TAMMY ARDOLF
Texas Bar No. 90001536
tardolf@sheehyware.com

3838 Oak Lawn Avenue, Suite 250
Dallas, Texas 75219
(214) 521-7500 Telephone
(214) 520-1708 Facsimile

ATTORNEYS FOR DEFENDANTS

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Respectfully submitted,

SHEEHY, WARE & PAPPAS, P.C.

/s/ James W. Karel

JAMES W. KAREL

Texas Bar No. 11098550

jkarel@sheehyware.com

TAMMY ARDOLF

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Dallas, Texas 75219

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(214) 520-1708 Facsimile

ATTORNEYS FOR DEFENDANTS

CERTIFICATE OF SERVICE

In accordance with the Rule 5(b)(2)(E) of the Federal Rules of Civil Procedure and Local Rule 5.1(d), I hereby certify that a true and correct copy of the foregoing instrument has been electronically served upon all parties. A copy also has been served on Jon-Erick Rocha, who is proceeding *pro se*, via Certified Mail, Return Receipt Requested # 7018 2290 0001 2337 9451 on August 12, 2019 at the following address:

Jon-Erik Rocha
125 Walton Lane
Springtown, TX 76082

/s/ Tammy J. Ardolf
TAMMY J. ARDOLF

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VS.

ATTORNEY BRYAN E. HOSTO
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Defendants.

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CIVIL ACTION NO.
4:19-CV-572-O-BP

AFFIDAVIT OF BRYAN HOSTO

Before me, the undersigned authority duly authorized to administer oaths, personally appeared Bryan Hosto, who, being by me duly sworn, deposed as follows:

“My name is Bryan Hosto. I am of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

Hosto & Buchan, P.L.L.C is a Professional Limited Liability Company registered with the State of Arkansas. In addition to being a member of Hosto & Buchan, P.L.L.C, I also am the custodian of the records of Hosto & Buchan, P.L.L.C. Attached hereto are true and correct copies of the following documents:

- Demand letter from Hosto & Buchan, P.L.L.C. to Victory Completions Group, L.L.C. dated May 31, 2019;

Affidavit of Bryan Hosto.

Page 1

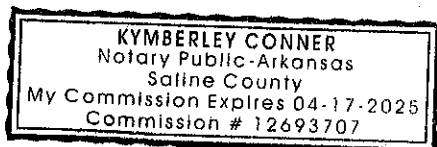
- “Affidavit of Legal Notice and Demand to Validate Debt Claim” dated June 7, 2019, received by Hosto & Buchan, P.L.L.C. from Victory Completions Group, LLC; and
- Verification letter from Hosto & Buchan, P.L.L.C. to Victory Completions Group, LLC with debt information and attached copy of Motor Vehicle Retail Installment Sales Contract between David McDavid Ford and Victory Completions Group, L.L.C.


These 8 pages of records are kept by Hosto & Buchan, P.L.L.C. in the regular course of business, and it was the regular course of business of Hosto & Buchan, P.L.L.C for an employee or representative of Hosto & Buchan, P.L.L.C, with knowledge of the act, event, condition, opinion, or diagnosis, recorded to make the record or to transmit information thereof to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The records attached hereto are the original or exact duplicates of the original.”

FURTHER AFFIANT SAYETH NOT.


BRYAN HOSTO, AFFIANT

SUBSCRIBED and SWORN TO BEFORE ME, the undersigned authority, on this the 16th day of August, 2019.




NOTARY PUBLIC IN AND FOR THE
STATE OF ARKANSAS

Affidavit of Bryan Hosto.

Page 2

HOSTO|BUCHAN
LAW FIRMP. O. Box 3610
Little Rock AR 72203-3610

RETURN SERVICE REQUESTED

May 31, 2019

Bryan H. Hosto AR, TN
Charles J. Buchar AR, TX
Mark A. Soxon AR, TN, TXKevin T. McGloire TX
Frank J. Cardie AR, KY, OH

Arkansas Indiana Kentucky Ohio Tennessee Texas

E-mail: questions@hosto.com

HOSTO & BUCHAN, P.L.L.C.PO Box 3610
Little Rock AR 72203-3610

DEMINO 284354533



Victory Completions Group, LLC

125 Walton Ln
Springtown TX 76082-7179Our Account Number: F0042605
Client Ref: XXXXXXXXXXXXX3924
Total Amount Due Now: \$65,916.83

PLEASE DETACH UPPER PORTION AND RETURN WITH PAYMENT IN THE ENCLOSED ENVELOPE

RE: Account Owed By: , Llc Victory Completions Group
 Creditor: Ford Motor Credit Company Llc
 Original Creditor:
 Current Balance: \$65,916.83
 Our Account Number: F0042605
 Client Ref: XXXXXXXXXXXXX3924

Payment Options:Online: www.hosto-online.com
Priority Pay: (800) 892-1460

Dear Sir/Madam:

Our client has turned the above past due account over to us for collection.

SEND ALL PAYMENTS TO: HOSTO & BUCHAN, P.L.L.C., P. O. Box 3610, LITTLE ROCK, AR 72203

The current balance shown above is the amount you owe as of the date of this letter. Please call or visit our website to obtain your current balance, otherwise an adjustment may be necessary after we receive your check. To insure proper posting of your payment, please include our account number listed above when remitting payment. Also, please make your payment out in the name of Ford Motor Credit.

This office represents FORD MOTOR CREDIT COMPANY LLC in the collection of this debt, however at this time, no attorney with this firm has personally reviewed the particular circumstances of your account.

Sincerely,

HOSTO & BUCHAN, P.L.L.C.
ATTORNEYS AT LAW

* This communication is from a debt collector and is an attempt to collect a debt. Any information obtained will be used for that purpose. Unless you notify us within 30 days of your receipt of this letter that the validity of this debt, or any portion of it, is disputed, we will assume that it is valid. If you notify us in writing, within 30 days of your receipt of this letter of a dispute, we will send you verification of the debt. Upon your written request within 30 days of your receipt of this letter, we will send you the name and address of the original creditor if different from the current creditor. *

License -

Registered Agent -

Hosto & Buchar, P.L.L.C.
Attorneys at Law
Main Office
P. O. Box 3610

Little Rock, Arkansas 72203 Telephone: (501) 374-1300 Toll Free: (800) 892-1460 Facsimile: (501) 375-3670

1CLROBU01DEMINO

APP. 006

EX. 1-A

6/7/2019

AFFIDAVIT OF LEGAL NOTICE AND DEMAND TO VALIDATE DEBT CLAIM

Victory Completions Group, LLC
Jon-Erik: Rocha *President*
Care of 125 Walton Lane
Springtown, Republic of Texas [76082]

To:

HOSTO & BUCHAN, P.L.L.C
P.O. BOX 3610
Little Rock, AR 72203-3610

This is an offer to fully pay/discharge the attached claim of debt on the condition that the claiming parties comply with this notice within 30 calendar days of receipt of this correspondence.

**NOTICE OF CLAIM DISPUTE NOTICE TO AGENT IS NOTICE TO PRINCIPAL NOTICE TO PRINCIPAL IS
NOTICE TO AGENT APPLICABLE TO ALL SUCCESSORS AND ASIGNS**

*******SILENCE IS ACQUIESCENCE*******

**NOTICE AND DEMAND TO CEASE AND DESIST COLLECTION ACTIVITIES PRIOR TO VALIDATION OF
PURPORTED DEBT**

Pursuant to the truth in lending laws of the United States Code, Title 15 – 1601 et. Seq. and the Fair Debt Collection Practices Act laws of the United States Code 1692 et. seq This notice constitutes a timely written response to your Fair Debt Collection Practices Act notice that you are attempting to collect an alleged debt and is not a dishonor of your alleged claim of debt.

This notice is my, required by law, demand to “cease and desist” collection activities prior to validation of purported debt and you must validate the enclosed claim of an alleged debt. You must provide verification that an actual debt really exists by producing the following:

1. The name and address of the organization or other governmental unit alleging a debt;
2. The name and address of the person or persons in that organization or other governmental unit alleging a claim of debt;
3. The name of the actual creditor even if that is myself;
4. The origin of the funds used to create this alleged claim of debt
5. The actual records of the organization or other governmental unit showing the time and place of the deposit and distribution of the funds used to create this alleged claim of debt.

6. The actual records of the organization or other governmental unit showing that an actual loan was made from the organization or other governmental unit's own funds that resulted in the enclosed alleged claim of a debt.
7. The actual records of the organization or other governmental unit with a live signature on any and, all document/instrument(s) used to allege the existence of a real loan of funds or debt from the organization or other governmental unit to myself or anyone else by similar name.
8. Be advised that verification is defined (Black's Law Dictionary, 6th Edition) as follows: "Confirmation of correctness, truth, or authenticity, by affidavit, oath or deposition". Affidavit of truth of matter stated and object of verification is to assure good faith in averments or statements of party.
9. The actual records of the organization or other governmental unit showing that an honest disclosure of facts relating to the alleged loan was made by the organization or other governmental unit in compliance with the truth in lending laws of the United States Code, Title 15 -1601 et. seq and Regulation Z.
10. **The actual records of the organization or other governmental unit showing that any, and all documents /instrument(s) containing my signature or likeness of my signature were not negotiated or pledged by the organization or other governmental unit against my credit to create the funds used for the appearance of a debt and resulting in this alleged claim of debt.**
11. **The person that prepares and swears to the validation of debt must describe:**1) your job description on a daily basis;2) if you are the regular keeper of those books and records and are familiar with how they are kept and their contents;3) How long have you been in your position;4)When did you first come in contact with the alleged account/debt; 5) How frequently do you work with the files and information they are presenting to verify/validate the alleged debt; and 7) Do you have personal knowledge about the alleged debt and/or any alleged account.
12. Send me the CUSIP for the Loan Application and Security Instrument/NOTE.
13. Send me the forms: S-3, FR 2046, FR 2049, FR 2099.
14. Send CAFR, LEDGER, and NOTES for the account.
15. True and Validated ACCOUNTING following GAAP.
16. HOSTO & BUCHAN, P.L.L.C. license to collect debts in the state of Texas.
17. HOSTO & BUCHAN, P.L.L.C. Business Registered Agent information for the State of Texas.
Section 5.201(b) of the Texas Business Organizations Code (BOC). 1 Tex. Admin. Code §79.29.

15 U.S.C -1692 (e) states that a "false", deceptive, and misleading representation, in connection, with the collection of any debt," includes the false representation of the character or legal status of any debt and further makes a threat to take any action that cannot legally be taken a deceptive practice.

Pursuant to 15 U.S.C -1692 (g) (4) **Validation of Debts**, if you have evidence to validate your claim that the attached presentment does not constitute fraudulent misrepresentation and that one owes this alleged debt, this is a demand that, within 30 days, you provide such verification/validation and supporting evidence **signed and certified under penalty of perjury to substantiate your claim. Until the requirements of the Fair Debt Collections Practices Act have been complied with and your claim is verified/validated, you have no consent to continue any collection activities.**

This is a constructive notice that, absent the validation of your claim within 30 calendar days, you must "cease and desist" any, and all collection activity and are prohibited from contacting me through the

mail, by telephone, in person, at my home, or at my work. You are further prohibited from contacting any other third party. Each, and every attempted contact, in violation, of this act, will constitute harassment and defamation of character and will subject your agency and/or attorney and any, and all agents in his/her individual capacities, who take part in such harassment, and defamation, to a liability for actual damages, as well as **statutory damages of up to \$1,000 for each and, every violation**, and a further liability for legal fees to be paid to any counsel which I may retain. Further, absent such validation of your claim, **you are prohibited from filing any notice of lien and /or levy or judgment and are also barred from reporting any derogatory credit information to any credit reporting agency, regarding this disputed purported debt.**

Further, pursuant to the **Fair Debt Collection Practices Act** 15 U.S.C – 1692 (g) (8), as you are merely an “agency” or other governmental unit of the United States, acting on someone else’s behalf, this is a demand that you provide the name of the original “principal” or “holder in due course”, for whom you are attempting to collect this alleged debt.

Please take notice that this legal notice will be forwarded as a criminal investigation of the business practices of the above, named organization or other governmental unit, its agents, officers, employees and attorney to determine violations of the United States criminal laws. Your claims of collection of a purported debt appears to be founded upon a false record in violation of U.S.C Title 18 - 2071 and 2073 (falsifying records) and further; uttering and possessing false obligations and counterfeit securities based upon the falsified records in violation of U.S.C Title 18 -471,472,473and or 513, and further using corrupt business practices to make and possess false records and claim if obligation, not substantiated by truthful facts in violation of the Federal Racketeer Influences and Corrupt Organization(RICO) , U.S.C Title 18 – 1961 et.seq and further using the U.S. Mail to present such fraud and false instruments amounting to Mail Fraud, criminal conduct falling under Title 18 U.S.C -1341 Frauds and Swindles laws, and further sending mal with false and fictitious names, criminal conduct falling under Title 18 U.S.C -1842 – Fictitious Names. **IE JON ERIK ROCHA. ALL INFORMATION WILL BE FORWARDED TO THE TEXAS AND ARKANSAS INSPECTOR GENERAL OFFICE AND IRS CRIMINAL DIVISION TO INVESTIGATE HOSTO & BUCHAN, P.L.L.C UNDER THE BANKING SECRECY ACT AND THE PATRIOT ACT UNDER AS WELL AS ALL MONEY INSTURMENT TO BE DISCLOSED.**

TAKE NOTICE

HOSTO & BUCHAN P.L.L.C’s failure in providing respondent with the requisite verification, validating the above referenced alleged debt within the requirements of law as codified in the Fair Debt Collection Practices Act, Fair Credit Reporting Act, Banking Secrecy Act, Patriot Act and the corresponding laws of each state, signifies that Debt Collector tacitly agrees that:

- a. Debt collector has no lawful, bona fide, verified claim, re the listed accounts:

F0042605

- B. Debt Collector waives any, and all claims against respondent

- C. Debt Collector tacitly agrees that Debt Collector will compensate Respondent for all cost’s, fees and expenses incurred in defending against this and any, and all continued collection attempts, re the above-referenced alleged accounts.

D. Failure of Debt Collector to properly and legally verify/validate alleged debt as required in this notice is a self-executing irrevocable power of attorney authorizing Respondent/Alleged Debtor named herein to direct the permanent removal, on behalf of the alleged Creditor, of any, and all references to said accounts in any, and all credit reporting agency files of any type.

This response will constitute my effort to resolve this on-going debt claim between the parties involved. Until full disclosure on and for the official public record with a signed affidavit attached is achieved, there can be no case, collection or action. "No civil or criminal cause of action can arise lest, out of fraud, there be valid, honest contract" See Eads V Marks 249 P. 2d 257,260

Furthermore Title 12 U.S.C -411 Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose, of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth **and for no other purpose, are authorized.** The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

PLEASE TAKE ADDITIONAL NOTICE

All responses must be done on and for the public record and must be signed with a wet ink signature in the format of an affidavit with a public notary seal affixed **ALL OTHER FORMS OF COMMUNICATION WILL BE NULL AND VOIDED** and will be used a prima facie evidence in any, and all legal recourse I so choose to take as the authorized representative for JON ERIK ROCHA.

Done on this 7 Day of June 2019

I declare under the penalties of perjury in accordance with the laws of the United States of America **(without the "UNITED STATES")** Title 28 U.S.C – 1746(1) the foregoing is true and correct and is admitted when rebutted so help me God.

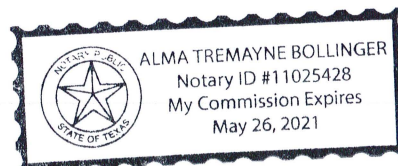

Authorized Representative for JON ERIK ROCHA

On the 7 Day of June 2019 JON ERIK ROCHA, appeared before me in the County of PARKER, TEXAS and placed his signature above.

Notary Signature

4 | Page

Seal:



APP. 010

HOSTO|BUCHAN

LAW FIRM

Hosto & Buchan, P.L.L.C.
Attorneys at Law
Main Office
P.O. Box 3610
Little Rock, AR 72203-3397
Toll Free: (800) 892-1460
Direct No.: (501) 374-1300
Facsimile (501) 375-3670

Bryan E. Hosto AR, TN
Charles J. Buchan AR, TN
Frank J. Cardis AR, IN, KY, OH

Mark A. Sexton AR, TN, TX
Kevin T. McGuire TX

Arkansas Indiana Kentucky Ohio Tennessee Texas
E-mail: questions@hosto.com

June 26, 2019

VICTORY COMPLETIONS GROUP, LLC
JON-ERIK ROCHA, PRESIDENT
125 WALTON LN
SPRINGTOWN TX 76082-7179

RE: VICTORY COMPLETIONS GROUP, LLC
Our Account Number: F0042605

Dear Sir/Madam:

In response to your request for information pertaining to the above-referenced debt, I have listed the name of the original creditor, as well as other information below:

Original Creditor: Ford Motor Credit Company, LLC
Account number: xxxxxxxxxxxxxxxx3924
Current Creditor: Ford Motor Credit Company LLC
Amount of Debt: \$65,916.83
Consumer's SSN.: xxx-xx-
Last Payment Date: October 18, 2018

I am also enclosing the following additional documentation for your records:

Motor Vehicle Retail Installment Sales Contract

If you have any questions, please do not hesitate to call.

Sincerely,

HOSTO & BUCHAN P.L.L.C.
ATTORNEYS AT LAW

This communication is from a debt collector and is an attempt to collect a debt.
Any information obtained will be used for that purpose.

Hosto & Buchan, P.L.L.C.
Attorneys at Law
Main Office
P.O. Box 3610

Little Rock, Arkansas 72203 Telephone: (501) 374-1300 Toll Free: (800) 892-1460 Facsimile: (501) 375-3670

APP. 011 FVERIFY

EX.1-C

The Buyer is referred to as "you" or "r/s". The Seller is referred to as "he" or "us". This contract may be transferred by the Seller.

PROMISE TO PAY: The credit price is shown below as the "Total Sales Price." The "Cash Price" is also shown below. By signing this contract, you choose to purchase the vehicle on credit according to the terms of this contract. You agree to pay us the Amount Financed, Finance Charge, and any other charges in this contract. You agree to make payments in U.S. funds according to the Payment Schedule in this contract. If more than one person signs as a buyer, you agree to keep all the promises in this agreement even if the others do not.

You have thoroughly inspected, accepted, and approved the vehicle in all respects.

Trade-In Make _____ Year 2017 VIN _____
Model Tundra 4x4 License No _____

PROPERTY INSURANCE. You must keep the collateral insured against damage or loss in the amount you owe. You must keep this insurance until you have paid all that you owe under this contract. You may obtain property insurance from anyone you want or provide proof of insurance you already have. The insurer must be authorized to do business in Texas. You agree to give us proof of property insurance. You must name us as the person to be paid under the policy in the event of damage or loss.

Optional Credit
Life and Credit Disability Insurance
Credit life insurance and credit disability insurance are not required to obtain credit. They will not be provided unless you sign and agree to pay the extra cost. Your decision to buy or not buy these insurance coverages will not be a factor in the credit approval process.

☐ Credit Life, one buyer \$ N/A Term N/A
☐ Credit Life, both buyers \$ N/A Term N/A
☐ Credit Disability, one buyer \$ N/A Term N/A
☐ Credit Disability, both buyers \$ N/A Term N/A

(Insurance Company)

(Home Office Address)

Credit the insurance policy only the amount you would owe you paid all your payments on time. Credit disability insurance does not cover any increase in your payment or in the number of payments.

If the term of the insurance is 120 months or longer, the premium is not paid or approved by the Texas Insurance Commissioner.

You want the insurance indicated above.

Yes/A No/A
Buyer's signature Date

Yes/A No/A
Co-Buyer's signature Date

**Optional Insurance Coverages
and Debt Cancellation Agreement**

This granting of coverage will not be dependent on the purchase of any of the insurance coverages. The debt cancellation agreement described below, if it shall be provided without any charge, shall be subject to the terms and conditions of the policy. I agree and agree to pay the stated cost. The debt cancellation agreement will be affected by whether or not you opt for the insurance coverages or the debt cancellation agreement.

Coverage	Monthly	Premium of
SAP*	N/A	1/2 N/A
N/A	N/A	1/2 N/A
N/A	N/A	1/2 N/A
Debt Cancellation Agreement	\$60	\$800.00

FINC.

P.O. BOX 69, Bridgeport Company

DEPT. 101, BRIDGE, E. 33346

(Florida Office Address)

*This policy is different from a life insurance policy. You have the right to discontinue this coverage at any time without penalty. If you do not wish to continue this coverage, you may cancel your debt cancellation agreement without charge. If you do not wish to cancel your debt cancellation agreement, you may cancel your debt cancellation agreement without charge. If you do not wish to cancel your debt cancellation agreement, you may cancel your debt cancellation agreement without charge.

"WE WILL CANCEL CANCELS AMOUNTS YOU CAN CANCEL"

UNDER THIS CONTRACT IN THE CASE OF A LATE CANCELLATION OF THE INSURANCE AS SET FORTH IN THE CANCELLATION AGREEMENT. You can cancel the cancellation agreement without charge for a period of 30 days after the date of the cancellation agreement. If you cancel the cancellation agreement, whenever period ends in a month, you are entitled to a premium for an insurance policy for the same period as the period for which the cancellation agreement was issued. That premium is not determined by the Texas Insurance Commissioner. A fee of \$10.00 is charged for the cancellation agreement. For the purposes of this contract, you agree that you make no other coverage for this contract agreement.

X _____ Date 11/03/17
 Buyer's signature _____ Date _____

X _____
 Co-agent's signature _____ Date _____

LIABILITY INSURANCE: THIS CONTRACT DOES NOT INCLUDE INSURANCE COVERAGE FOR PERSONAL LIABILITY OR PROPERTY DAMAGE CAUSED TO OTHERS.

Returned Cash: If you agree to give up coverage of \$5,300. When should you pay cash? If you are not satisfied with the service, you can cancel or discontinue or any electronic payment returned unconditionally.

On the other side of this contract, you or we may elect to resolve any dispute or information concerning the agreement to arbitrate.

DRO MOTOR CREDIT
Commissioner (OCCC) is a state agency
cannot be resolved by contacting the
credit-related question. OCCC address
16-7610. Website: occc.texas.gov. E-mail:

the Seller may assign this contract

Contract are enforceable.

11

you read it or if it contains any blank space, you have the right to pay off in advance and without charge. You will keep this contract if you do not.

THE TERMS OF THIS CONTRACT AND BEFORE YOU SIGNED THIS CONTRACT, WE KNOWLEDGE THAT YOU HAVE READ BOTH REVERSE SIDE. BEFORE SIGNING BELOW

/s/ _____ Date _____
a person whose name is on the title to the vehicle but does not

_____ The 1st

☐ Assigned with limited recourse

Title _____

FINANCE CHARGE AND PAYMENTS

1. **FINANCE CHARGE.** If you do not pay your payments on time, we will charge you a finance charge. The finance charge is based on the amount of the unpaid portion of the Amount Financed at the time the finance charge is assessed. The finance charge will be figured by applying the daily rate to the unpaid portion of the Amount Financed for the number of days the unpaid portion of the Amount Financed is outstanding. The daily rate is 1/365th of the Annual Percentage Rate. The unpaid portion of the Amount Financed does not include late charges or return check charges.

2. **HOW WE WILL APPLY YOUR PAYMENTS.** We will apply your payments in the following order:

1. earned but unpaid finance charge; and
2. to anything else you owe under this agreement.

3. **HOW LATE OR EARLY PAYMENTS CHANGE WHAT YOU MUST PAY.** We based the Finance Charge, Total of Payments, and Total Sale Price as if all payments were made as scheduled. If you do not timely make all your payments in at least the correct amount, you will have to pay more Finance Charge. If that happens, your last payment will be more than your final scheduled payment, or at our option, you will have to pay more payments of the same amount as your scheduled payment with a smaller last payment. If you make scheduled payments early, your Finance Charge will be reduced (less). If you make your scheduled payments late, your Finance Charge will increase. We will send you a notice telling you about these changes before the final scheduled payment is due.

4. **TRANSFER OF RIGHTS.** We may transfer this contract to another person. That person will then have all our rights, privileges, and remedies.

5. **SPECIAL PROVISIONS FOR BALLOON PAYMENT CONTRACTS.** A balloon payment is a scheduled payment more than twice the amount of the average of your scheduled payments, other than the down payment, that are due before the balloon payment. You can pay all you owe when the balloon payment is due and keep your vehicle. If you buy the vehicle primarily for personal, family, or household use, you can enter into a new written agreement to refinance the balloon payment when due without a refinancing fee. If you refinance the balloon payment, your periodic payments will not be larger or more often than the payments in this contract. The annual percentage rate in the new agreement will not be more than the Annual Percentage Rate in this contract. This provision does not apply to Payment Schedule that been adjusted to your seasonal or irregular income.

2. YOUR OTHER PROMISES TO US

a. **USE AND TRANSFER OF THE VEHICLE.** You will not sell or transfer the vehicle without our written permission. If you do sell or transfer the vehicle, this will not release you from your obligations under this contract, and we may charge you a transfer of equity fee of \$25.00 (\$50 for a heavy commercial vehicle). You will promptly tell us in writing if you change your address or the address where you keep the vehicle. We agree you may remove the vehicle from the U.S. for 72 hours or less, if the vehicle will continue to be covered by the insurance this contract requires. Otherwise, you agree not to remove the vehicle from the U.S. without our written permission.

b. **CARE OF THE VEHICLE.** You agree to keep the vehicle free from liens and claims against those that secure this contract. You will timely pay all taxes, fees, or charges pertaining to the vehicle. You will keep the vehicle in good repair. You will not allow the vehicle to be edited or placed in jeopardy or use it illegally. You must pay all you owe even if the vehicle is lost, damaged or destroyed. If a third party takes a lien or claim against possession of the vehicle, we may pay that third party any cost required to free the vehicle from all liens or claims. We may immediately demand that you pay us the amount paid to the third party for the vehicle. If you do not pay this amount, we may repossess the vehicle and sell that amount to the amount you owe. If we do not repossess the vehicle, we may still demand that you pay us, but we cannot compute a finance charge on this amount.

c. **SECURITY INTEREST.** To secure all that you owe on this contract and all your promises in it, you give us a security interest in:

1. The vehicle including all accessories and parts now or later attached and any other goods financed in this contract;
2. All insurance proceeds and other proceeds received for the vehicle;
3. Any insurance policy, service contract or other contract insured by us and any proceeds of those contracts; and
4. Any refunds of charges included in this contract for insurance, or service contracts.

This security interest also secures any extension or modification of this contract. The certificate of title must show our security interest in the vehicle. You will not allow any other security interest to be placed on the title without our written permission.

d. **AGREEMENT TO KEEP VEHICLE INSURED.** You agree to have physical damage insurance covering loss or damage to the vehicle for the term of this contract. This insurance must cover our interest in the vehicle. The insurer must be authorized to do business in Texas.

e. **OUR RIGHT TO PURCHASE REQUIRED INSURANCE IF YOU FAIL TO KEEP THE VEHICLE INSURED.** If you fail to give us proof that you have insurance, we may buy physical damage insurance. We may buy insurance that covers your interest and our interest in the vehicle, or we may buy insurance that covers our interest only. You will pay the premium for the insurance and a finance charge at the contract rate. If we obtain collateral protection insurance, we will mail notice to your last known address shown in our file.

f. **PHYSICAL DAMAGE INSURANCE PROCEEDS.** You must use physical damage insurance proceeds to repair the vehicle, unless we agree otherwise in writing. However, if the vehicle is a total loss, you must use the insurance proceeds to pay what you owe us. You agree that we can use any proceeds from insurance to repair the vehicle, or we may reduce what you owe under this contract. If we apply insurance proceeds to the amount you owe, they will be applied to your payments in the reverse order of when they are due. If your insurance on the vehicle or credit insurance doesn't pay all you owe, you must pay what is still owed. Once all amounts owed under this contract are paid, any remaining proceeds will be paid to you.

g. **RETURNED INSURANCE PREMIUMS AND SERVICE CONTRACT CHARGES.** If we get a refund on insurance or service contracts, or other contracts included in the cash price, we will subtract it from what you owe. Once all amounts owed under this contract are paid, any remaining refunds will be paid to you.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

This PROVISION applies to this contract only if the vehicle financed in the contract was purchased for personal, family, or household use.

ARBITRATION PROVISION
PLEASE REVIEW - IMPORTANT - AFFECTS YOUR LEGAL RIGHTS

1. EITHER YOU OR WE MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT OR BY JURY TRIAL.

2. IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.

3. DISCOVERY AND RIGHTS TO APPEAL IN ARBITRATION ARE GENERALLY MORE LIMITED THAN IN A LAWSUIT, AND OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.

Any claim or dispute, whether by contract, tort, statute or otherwise (including the interpretation and scope of this Arbitration Provision, and the applicability of the claim or dispute), between you and us or our employees, agents, successors or assigns, which arises out of or relates to your credit application, purchase or condition of this vehicle, this contract or any resulting transaction or relationship (including any such relationship with third parties who do not sign this contract) shall, at your or our election, be resolved by neutral, binding arbitration and not by a court action. If federal law provides that a claim or dispute is not subject to binding arbitration, this Arbitration Provision shall not apply to such claim or dispute. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action. You expressly waive any right you may have to arbitrate a class action. You may choose the American Arbitration Association, 1633 Broadway, 10th Floor, New York, New York 10019 (www.adr.org), or any other organization to conduct the arbitration subject to our approval. You may get a copy of the rules of an arbitration organization by contacting the organization or visiting its website.

Arbitrators shall be attorneys or retired judges and shall be selected pursuant to the applicable rules. The arbitrator shall apply governing substantive law and the applicable statute of limitations. The arbitration hearing shall be conducted in the federal district in which you reside unless the Seller-Debtor is a party to the claim or dispute, in which case the hearing will be held in the federal district where this contract was executed. We will pay your filing, administration, service or case management fee and your arbitrator or hearing fee at up to a maximum of \$500, unless the law or the rules of the chosen arbitration organization require us to pay more. The amount we pay may be reimbursed in whole or in part by decision of the arbitrator if the arbitrator finds that any of your claims is frivolous under applicable law. Each party shall be responsible for its own attorney, expert and other fees, unless awarded by the arbitrator under applicable law. If the chosen arbitration organization rules conflict with this Arbitration Provision, then the provisions of this Arbitration Provision shall control. Any arbitration under this Arbitration Provision shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and not by any state law concerning arbitration. Any award by the arbitrator shall be in writing and will be final and binding on all parties, subject to any limited right to appeal under the Federal Arbitration Act.

You and we retain the right to seek remedies in small claims court for disputes or claims within that court's jurisdiction, unless such action is transferred, removed or appealed to a different court. Neither you nor we waive the right to arbitrate by using self-help remedies, such as repossession, or by filing an action to recover the vehicle, to recover a delinquent balance, or for individual injunctive relief. Any court having jurisdiction may enter judgment on the arbitrator's award. This Arbitration Provision shall survive any termination, payout or transfer of this contract. If any part of this Arbitration Provision, other than the waiver of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable. If a waiver of class action rights is deemed or found to be unenforceable for any reason in a case in which class action allegations have been made, the remainder of this Arbitration Provision shall be unenforceable.